

DECLARATION OF MICHAEL J. FLYNN

I, MICHAEL J. FLYNN, swear under the pains and penalties of perjury that the following is true and correct.

1) I am the attorney for Gerald Armstrong. In April-June 1984, I appeared for Mr. Armstrong as trial counsel in the case of Church of Scientology and Mary Sue Hubbard v. Gerald Armstrong, Los Angeles Superior Court.

2) During the Armstrong trial, extensive evidence was introduced, both documentary and testimonial, relating to the fraudulent and criminal conduct of L. Ron Hubbard in connection with his relationship with the Church of Scientology. This conduct began in the 1950's and continued at least up until November 1982 as established by the evidence in the trial.

3) There was also extensive evidence in the Armstrong trial relating to L. Ron Hubbard's background, which for the most part, had been completely falsified by the Church and by L. Ron Hubbard with respect to Hubbard's professional, educational, health, military career and marital background qualifications and credentials. Literally thousands of documents in the form of hundreds of exhibits supported an overwhelming testimonial record that Hubbard was in fact, a

"pathological liar" as eventually ruled by the Trial Court, and that he had in fact, manipulated and absconded with Church funds.

4) During the trial, specific issues arose relating to the "MCCS Mission" which was a Scientology/Hubbard program to conceal Hubbard's control of Scientology, shield him from liability, shield him from the fact that millions of dollars of Church funds had been funnelled to him, and to perpetuate this fraud in the future without Hubbard incurring liability for it. Although the Court actually sealed the "MCCS" tapes containing such evidence, there was evidence relating to Hubbard's control of Church funds in the trial itself and in an affidavit of Gerald Armstrong that had previously been filed in the case of Burden v. Church of Scientology. This affidavit specifically relates to the MCCS Mission. The affidavit is not under seal and has never been under seal. This affidavit specifically quotes from the MCCS tapes which are under seal. In one of the tapes as set forth in the Armstrong affidavit, the highest legal official of the Church of Scientology is quoted as saying that Hubbard's taking 2.1 million dollars of Church funds "was a classic case of inurement, if not fraud." The tapes also reveal, as set forth in the Armstrong affidavit, that throughout the history of the Church, while it was holding itself out as an entirely legitimate, separate and distinct religious corporate entity,

not under the control of L. Ron Hubbard, this in fact was a fraud, the Church corporations were "shams" and Hubbard had control of everything.

5) As a result of the foregoing evidence and an abundance of additional extremely detailed evidence, for the most part supported by documents including cancelled checks, Swiss bank account numbers, correspondence and miscellaneous other documents, it became obvious that Hubbard had in fact, engaged in criminal and fraudulent conduct with respect to his control of the Church of Scientology. Much of this evidence and the conclusions about Hubbard's conduct were reported extensively in the media in the New York Times, the Los Angeles Times, the St. Petersburg Times, the Clearwater Sun and additional publications. It is my assumption that as a result of this extensive media coverage, at some time after the Armstrong trial, and after the Court had issued its findings of fact, the Criminal Investigation Division of the IRS began an investigation. After the Armstrong trial, I was contacted by several investigators from the Criminal Investigation Division of the Los Angeles office of the Internal Revenue Service.

6) I was first contacted by Mr. Al Lipkin, Mr. Daniel Rocha, and Mr. Al Restuccia of the C.I.D. These gentlemen informed me that they were conducting an

investigation in connection with the Church of Scientology and L. Ron Hubbard and they sought my cooperation. I told them that I would give them my full cooperation and provide copies of any documents, affidavits, exhibits, etc. which were not under seal and which related to the Church of Scientology and L. Ron Hubbard. I also told them that my clients, which included numerous former high level Scientologists, including Gerald Armstrong, William Franks, Laurel Sullivan, Howard Schomer, and others would give their full cooperation in connection with the investigation of the C.I.D. Mr. Lipkin and either Mr. Restuccia or Mr. Rocha came to my office and spent several days examining documents relative to this subject. They thereafter contacted many of my clients.

7) At no time did Mr. Restuccia, Mr. Lipkin, Mr. Rocha or any other member of the C.I.D., or for that matter any other state or federal agency ever provide any information to me as to the course of their investigation, the evidence that they had collected, their conclusions, or anything else. In fact, Mr. Restuccia, Mr. Rocha and Mr. Lipkin conducted themselves with the utmost professional courtesy and discretion, and never disclosed any information to me of any nature or description during the course of their investigation.


8) Subsequently, pursuant to its written policies,

including the "Fair Game Doctrine," "Attack the Attacker" and its "Black Propaganda" policies, the Church of Scientology engaged in a world-wide smear campaign, through press conferences, news releases, and publication of its Freedom magazine claiming that myself and several of my clients including Gerald Armstrong were in a massive conspiracy with the IRS, the FBI, the United States Government, the Canadian Government, the United States Attorney's Office, and sundry others to destroy freedom of religion in America. These claims are absurd on their face. Among the more specific and ridiculous allegations of Hubbard and Scientology are that C.I.D. agents offered or promised various benefits to myself and my clients in exchange for manufacturing evidence and in effect framing L. Ron Hubbard and his Church. Suffice it to say that these allegations are completely unfounded, totally false and have no basis in fact or reality. Indeed, the allegations themselves reflect the paranoid condition of both Hubbard and the Church which was noted by the trial judge in the Armstrong. The judge specifically ruled that the Church and Hubbard were "paranoid and schizophrenic," were actually utilizing the "Fair Game Doctrine" right up to the time of the trial to "destroy" Hubbard's perceived enemies, and that it had engaged in forms of blackmail and extortion.

9) Upon information and belief, the present campaign of the Church of Scientology alleging the conspiracy between

myself and various governmental agencies, is simply an effort to divert the ever-increasing compendium of legal decisions which have reached the same conclusions as the court in the Armstrong case with regard to the background and activities of Hubbard and his Church. In order to avoid civil and criminal sanctions for their past conduct, Hubbard is now engaging in his classic Black propoganda campaign to attack and discredit those who are engaged in litigation against him. In fact, there is no truth in the absurd claims of him and his agents.

Signed under the pains and penalties of perjury this 24th day of September, 1985 under the laws of California, Massachusetts, and Florida.


MICHAEL J. FLYNN